

MINUTES

FINANCE COMMITTEE

Meeting: March 10, 2021

Present via Zoom: Jerry Cerasale, Chair; Steve Cole, Vice-Chair; Mary Shaw, Clerk; George Deptula; Russ French; Tom Gardner; Rick Knight; Peter Wade; Jacqui Beebe, Town Administrator; Rich Bienvenue, Assistant Town Administrator/Finance Director; Art Autorino, Select Board representative to the Finance Committee; Jared Collins, Select Board member; Thomas Conrad, Superintendent, Nauset Schools; Giovanna Venditti, Director of Finance and Operations, Nauset Schools; William Crosby, Principal, Eastham Elementary School.

Jerry Cerasale called the meeting to order at 5:00 PM. He thanked Tom Conrad for his service to the Nauset Schools and offered congratulations on his upcoming retirement.

Discussion of FY22 Budget

Given that Finance Committee members received the 117-page Schools report today, Jerry Cerasale suggested that the School representatives do an overview and that we set up another meeting to answer questions on the report. He polled the Committee and each member agreed. Rich Bienvenue shared the Educational Services budget on the screen and noted he would send the final budget which will include a small increase based on enrollment numbers.

Nauset Regional Schools – Tom Conrad noted the schools were closed about a year ago and discussed the numerous challenges the schools had to tackle due to COVID. Food services has delivered 200,000 meals including 3,000 meals to seniors and 30,000 summer lunches. Teachers and support staff prepared protocols for mask wearing, social distancing, cleaning and handwashing. Transportation was cut by 65% as parents drove students for safety reasons. The schools and the union signed an MOU for partnership and cooperation. Eastham Elementary School (EES) was open every day this school year. The middle school opened at the beginning of the year, followed by the high school a few weeks later after it addressed ventilation issues.

Eastham Elementary Schools – Bill Crosby noted EES has completed 105 days of in-person and remote teaching and learning, and was able to keep illness at bay. Other the COVID, he noted EES is not seeing the usual coughs, runny noses and stomach bugs due to masking and being 6' apart. They have had some quarantines, but have not had to shut the school. He noted the community effort and sacrifices made to keep the schools open. Because 20% of families chose remote learning, it was easier to achieve appropriate distancing for in-school students.

FY22 Budget highlights include:

- 196 students from Pre-K to Grade 5 with a \$3.8mm overall budget which is down 2.88%.
- Three veteran teachers retiring created some of the savings.
- Pre-school tuition is down 18.44%.
- Special education transportation and collaborative tuition down 100% as the student covered by these services will be moving to the middle school.
- The proposed budget maintains all current academic programs and interventions.

Tom Conrad noted a trend of special education costs moving to the region.

Giovanna Venditti led the Committee through the 3-page document summary.

- The middle school (MS) and high school (HS) budgets are up 2.5%
- The Region Only budget which is charged to revolving accounts is down .91% because one student with an out-of-district placement is moving; another is entering a cost share. There was also a one-month premium holiday for health insurance.
- The 4.2% increase to the Region Share of Central Office expenses is based on the 10/1/20 enrollment numbers.
- Overall expenses of \$32mm are up 1.45%.
- Level funding is budgeted for special education out of district placement.
- Using a blended \$5,500 rate (regular and special ed) for 232 anticipated school choice students, the budget for the School Choice Revolving Fund is \$1.276mm. In response to a question, Giovanna noted in FY20, they budgeted for 320 school-choice students and got 283 students; in FY21 they budgeted for 283 and got 258.
- The Cape Cod Tech (CCT) Revolving Fund is budgeted for \$10K to provide consulting to their Food Service Program.
- There is a total of \$2.216mm in Revolving Funds to pay expenses directly.
- In response to a question, Giovanna noted in FY20, we budgeted for 320 school-choice students and got 283 students; in FY21 we budgeted for 283 and got 258.
- State-based aid is projected to increase 1.01%.
- They are seeing an increased number of students going to Charter Schools. Looking at a three-year average, in Year 1 the State gave us 100%. Now budgeted for 60% of FY20 aid, this line increased 415%.
- State Transportation Aid is level.
- Truro and Provincetown tuition is down 11.23%. These towns currently pay \$19,391 per student with 26 and 21 students respectively. In response to a question, it was noted that tuition increases 2.5% in Years 2-4 and will increase 3.5% in Year 5; they are currently in Year 3 of a 5-year agreement.
- Elementary Assessments for Therapists is up 14.87%.
- Estimated receipts for Medicaid and Interest is down 49.75%.
- Overall total income is down .41%. Total expenses are up 2.06%. They try to have total expense increase at no more than 2.5% before debt which was achieved.
- In response to a question, Giovanna indicated any savings from a potential Round 2 of Cares Act funding would be shared with member towns through reduced assessments.
- Construction debt service is up 42.19%; Spending was for windows (HS) and roof (MS).
- Should ballot vote on the HS not be successful, it will trigger payment on the BAN for the feasibility study.
- Capital Plan Projects increase 2.5% each year. This will be this percent regardless of whether or not the NRHSBP passes.
- The total assessment – operating budget, debt and capital – is \$25,305,688, up 2.49%. The Eastham share is \$5,018,070.

Jerry Cerasale asked the Committee to send questions to Giovanna Venditti and Tom Conrad in advance of the next meeting.

Cape Cod Tech

In response to a question, Tom Conrad indicated he would have to check the agreement to understand if Eastham needs to make four payments to Cape Cod Tech for its assessment or one lump sum. He and Jerry Cerasale will schedule the follow-up meeting off-line.

Tom Conrad stated that his first consideration in building budgets is to keep the same rigorous and challenging programs.

[The School participants left the meeting at this point ~5:49 PM.]

Approval of Minutes

- With the two corrections noted by Steve Cole and the addition of Art Autorino as present, Steve Cole made a motion to approve the minutes as amended; Rick Knight seconded.
- **Roll call vote: 8-0**

Discussion and Votes on Finalized Warrant Articles

Although a couple of warrant articles are ready, they have not yet been vetted by counsel. Jacqui Beebe indicated she would have a draft for the 3/22/21 Select Board meeting. She will send a revised Town Meeting schedule. In response to a question, Jacqui noted that there are no petitioned articles this year.

Finance Committee Representative on Future Capital Projects Committee (CPC)

Jerry Cerasale asked if there were any volunteers for this role. Rick Knight asked for clarification as to the time commitment. Jacqui Beebe says she expects the commitment to be similar to being on the Finance Committee during budget season except this commitment would be year-round. Art Autorino indicated he would volunteer to be the Select Board representative. Jerry indicated he would like to appoint two people at the next meeting. Jacqui noted the new CPC will have more influence over decisions that cost a lot of money. It is an executive level board, the work is really interesting and its decision making really matters. Jerry reminded members the maximum number of committees on which they can serve is three, not counting elected positions. Steve Cole asked about the process to set the meeting date and time. Jacqui indicated meetings will be during the day as engineers, consultants and staff are involved.

Appointment of Capital Plan Liaison with the Finance Department

One volunteer is needed to focus on the five-year capital plan working with Rich Bienvenue. Rich explained the process and timing. Rick Knight volunteered to take on that role.

Jerry Cerasale previewed a new business item, noting that Steve Zbell had resigned from the Finance Committee. In addition to the Finance Committee having to replace that slot, Steve was the liaison to the Strategic Planning Committee, a role which needs to be replaced quickly. Mary Shaw volunteered to take on that role.

Capital Projects Updates

Russell French had no updates on the Water Project. Peter Wade had no update on Wastewater. Jacqui Beebe indicated it was time to push the consultants for their long overdue report. She

noted the Select Board just approved three water contracts, all under budget. Tom Gardner also had no updates on the Rock Harbor Project but indicated next week's meeting will focus on construction drawings and budget review. Jacqui noted the Police Station project is down to the punch list. Chief Bohannon will do a virtual tour shortly.

Update to Finance Committee Charge

Jacqui Beebe indicated that the Town engaged in a process of standardizing how all charges look. She will have Shana Brogan update the Finance Committee Charge for the Select Board.

New Business:

As there was no Town Administrator report, Rich Bienvenue asked to update an earlier question from George Deptula. Rich indicated the savings in the education budget has freed up ~\$265K in levy capacity. He and Jacqui Beebe will finalize their thinking but the Committee can expect that they will add back items they had to cut to balance the budget in the first draft.

Jerry Cerasale indicated the Finance Committee needs to fill the vacancy for remainder of Steve Zbell's term. Jerry is working with Pat Donovan on the Search Committee to locate candidates. He noted the following terms are also up this year:

- Peter Wade (Finance Committee appointment)
- Rick Knight (Select Board appointment)
- Jerry Cerasale (Moderator appointment)

Those interested in continuing on the Committee should get in touch with their appointing authority. George Deptula asked if non-resident taxpayers could serve. Jerry said yes as the Finance Committee is not a regulatory body, however, once we can no longer meet via Zoom, this can create problems. Art Autorino indicated that there is currently legislation to allow certain types of Zoom meetings to continue. Jerry indicated the Select Board made a rule that only one person could be on the phone or on Zoom. He will ask the Select Board if more people can participate remotely if there is a quorum in person.

Mary Shaw said the library roof repairs will start tomorrow and noted the new market rate condos across from Willy's Gym. Other construction projects were mentioned and Jacqui indicated that the Route 6 marijuana business was in the final stages of approval.

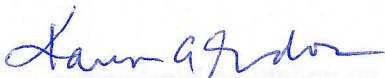
Adjournment:

As there was no additional new business, Mary Shaw motioned to adjourn the meeting; Russ French seconded.

- **Roll call vote: 8-0**

The meeting was adjourned at 6:27 PM.

Respectfully submitted,



Karen Erdos